18 „ K. R. Narayana Aiyar	21 Mr. G. B. E. Truscott
19 „ M. Govinda Pillai	22 „ P. Parameswaran Pillai
20 Rao Bahadur Rajyaseva-nirata Dr. N. Kunjan Pillai	23 „ R. Pitchu Aiyangar
	24 „ C. Kumara Das
	25 „ Kayalam Parameswaran Pillai

NEUTRAL 1.

Mr. Eric Hall

The resolution was declared lost, 9 voting for the resolution, 25 against and one remaining neutral.

REDUCTION OF TAX ON WET LANDS IN NANJINAD.

Mr. V. S. Arumukham Pillai: Sir, I beg to move the following resolution :

> "This Council recommends to the Government that, on account of the peculiar conditions prevailing in Nanjinad, tax on all wet lands, inclusive of water-rats, be reduced by fifty per cent till the next re-settlement is effected.

Believe me, Sir, when I say that there is widespread discontent among the agricultural population in Nanjinad.

(At this stage the President took the Chair.)

The people are not after securing adequate representation in the Legislature or an adequate share of the loaves and fishes of office. Their discontent is that the Government are not taking stock of their actual miserable condition but go on realising tax without any regard whatever to their miserable condition of the people and their utter inability to pay same. I may boldly assert that neither the Government nor the public outside are really aware of the actual condition of the people of Nanjinad. There is even misunderstanding and misconception of the actual situation. The misunderstanding is due to the fact that the people are not vociferous. To those who are prone to agitate for loaves and fishes of office and for such other small matters it will be really surprising if they are told that the vital and the real problem in Nanjinad is one of life and death struggle.

The agriculturists of Nanjinad were contended so long as they were able to get a bare maintenance from the land. But owing to the fall in the price of paddy and other causes, they are not able to eke out a bare existence from the land. They have now begun to feel the pinch of poverty and burdensome taxation.

Sir, I have several times dwelt upon the burdensome taxation. The maximum tax is Rs. 35 which is unknown to the civilised world. It will be shocking to the outsiders to hear that such a high rate of tax exist in Nanjinad.

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Mr. K. George: What is the extent of land on which such a tax is levied ?

Mr. V. S. Arumukham Pillai: Nearly one-eighth. Sir, Rs. 35 is the maximum tax. There are lands which pay even more. Sreepandaravagai lands bear a tax of Rs. 52. On the other hand there are also lands which pay only Re. 1 or Rs. 2. At a former meeting of the Council (Vol. III No. 5—page 252) the Land Revenue Commissioner himself admitted that the average tax in Agatisvaram is Rs. 20 and in Tovala Rs. 14 chs. 19. What is the margin of profit ? Almost nil in several cases. The Economic Depression Committee has given in their report the cost of cultivation in Nanjinad and the average yield per acre. The minimum cost of production, according to them, is Rs. 75 and the average yield is 24 kottahs per acre. From this you can imagine what will be the margin of profit. The prevailing rate at present is Rs. 5 per kottah. From this it may be seen on proper calculation that the margin of profit over lands paying Rs. 35 is almost nil. In 1111 Kumbhom, the yield even according to the Land Revenue Commissioner is only 6½ kottahs. The average tax according to him is Rs. 20. Taking the minimum cost of cultivation according to Economic Depression Committee, what will be the margin of profit. We find it is nil. Only in lands which bear seven or more rupees, there can be a small margin just sufficient for bare maintenance. It would be found that the taxation in Nanjinad defies all canons and principles of taxation. The fundamental principles of taxation is that it must bear a reasonable proportion to the net income from the land. From the figure I have given, it will be seen that the tax in Nanjinad is quite out of proportion to the income. You can see whether the tax is in proportion to the gross produce. Now the price of paddy has fallen down by 50 per cent. Now the ryot has therefore to sell double the quantity of paddy to pay the tax which he was paying. To meet the taxation, he has to give double the former quantity of paddy.

Sir, the Indian Taxation Enquiry Committee fixed one-fourth the net income as tax. In the present case it is not one-fourth or even half but it is full in most cases. How can the ryots who pay Rs. 25 and Rs. 35 can get on ? As I said the other day the ryots have nothing with them except the jewels which their women were wearing. Now they had to sell even those jewels in order to pay the tax since otherwise their lands would be auctioned away. Honourable members were telling us how the pages of the Government Gazette have swelled up.

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In the Thovala taluk alone last month a lot of valuable lands, lands which were being sold at Rs. 2,000 and 3000 per acre have been sold away for nominal prices out of sheer inability to pay the tax. I wrote to the Tahsildar about the extent of land that has been sold and the prices for which they were sold. I have not received any reply till now. Since it was too late to send in interpellations I wrote to the Tahsildar about it. But I have not received any reply as yet. I think it was because he was ashamed to give the information. That is the position of the ryots in Nanjinad. The selling of lands means destroying capital. It is not out of income that the government are realising the tax from the ryots. They are killing the capital, their very resources. These lands have not been sold for arrears of tax but for the tax due for the last harvest, that is Kumbhom crop. That is the pitiable position of the Nanjinad ryots. I ask is it fair and equitable. I pray that a drastic change, a thorough revolution, is necessary in order to protect and safeguard the interests of the ryots of Nanjinad. As I said, this heavy taxation, this burdensome taxation, we can put up with, but not the inequality of taxation about which I have dealt with during the discussion on the Land Revenue Demand. In this connection, I beg to submit that about one-fifth of the tax that is realised from Nanjinad is illegal and arbitrary. There is no justification for the Government to realise about one-fifth of the portion of the land tax that is being realised from Nanjinad. I may be excused if I say that one-fifth of the land tax realised from Nanjinad is in excess of what is legally and legitimately due from the ryots. That is due to a wrong calculation, a clear mistake, committed by the Government in the process of adjusting para measurement in terms of Nanjinad kottah and marakkal for the purpose of commutation. Instead of calculating a kottah as 7 paras and 2 edangalis, without any foundation whatever Government have fixed it at 8 paras and 6½ edangalis, and basing on this mistake Government have been realising for the last several years nearly one-fifth of what is more than legitimately due from the ryots. The matter has been represented for the last 10 or 15 years. The fact of this burdensome taxation and the utter inability of the tax payers to pay the tax have been represented to the Government very often and the reply given by the Land Revenue Commissioner is that Government will redress the grievance at the time of the next settlement. Our resettlement is overdue. The last settlement was done more than 50 years ago. The poor ryots of the Nanjinad want re-settlement. I am sure it will be opposed by the rest of the people. They do not want it because it is not to their interest. The solitary member from Nanjinad, when he says that they want re-settlement, the Government will reply that they will redress the grievance at the time of

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re-settlement. When asked when we are going to have re-settlement the reply is 'very soon'. The Commissioner has been saying this to me very often. Even now there is no prospect of a re-settlement. We do not find any provision in the Budget for a re-settlement. Whether it be by re-settlement or not, by adopting the rules and practice which have been followed previously, or by any other definite arrangement or scheme a re-organisation of land Revenue system should be effected for an equitable distribution of tax burdens. My humble request is that re-settlement must be effected at the earliest possible opportunity. Till then, we must be granted at least 50 per cent reduction in tax just to enable us to live. As shown by facts and figures it is impossible for the poor ryots to live. Lands are their only salvation. They have to live or die with lands. Their only occupation is paddy cultivation. They depend entirely upon paddy cultivation. They have no rubber, tea, or cardamom cultivation. They cannot encroach for plantations.

President: That is a new profession.

Mr. V. S. Arumukham Pillai: We had a lot of discussion about smuggling, encroachments into the forests and other things during these days. All these are new professions. The poor ryots in Nanjinad do not know any of these things. They are starving. The Land Revenue Commissioner will bring forward the usaul stock argument this time also. That is, what do we gain by this remission? Each individual will gain only 8 or 10 chackrams, but on the other hand, Government will lose a great deal. That has been the stock argument that he has been advancing always. I submit that if that is going to be the argument this time also, it is not applicable to the condition in Nanjinad. He has said that more than 55 per cent of the people pay only one rupee and so what is the use of a remission of 50 per cent. That argument is not applicable to Nanjinad because taxation there, as I said; is Rs. 25 and Rs. 35 and more per acre. If 50 per cent reduction is obtained, a family consisting of 2 or 3 children, can find food. In conclusion I beg to submit that this heavy taxation has been the cause of our ruin that has been the cause for reducing us to this economic slavery.

Economically considered we are really slaves. We have to bow down our heads when we see people in other parts of the State. This has brought about the demoralisation in agriculture also. It has got a bad effect on agricultural operations. The Government have been trying to drain away their resources in the name of taxation. I shall conclude by quoting in defence of my case a solemn statement made by Gokhale. He says:—

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> "Whatever loss of revenue such a measure may cause directly to the State will be more than indirectly made up by a material improvement in the condition of the people."

I shall also quote Mr. O. Conor. He says —

> "I have litte doubt that any reduction in land revenue would be of far more value in the improvement of the clan who constitute the bulk of the population and who contribute more largely to the finances of the State."

Sir, I submit that in the interest of agriculture, in the interests of paddy cultivation, in the interests of paddy which is the staple food for the country, and out of pity for the poor ryots of Nanjinad, at least 50 per cent reduction should be made That is a most humble and moderate demand that I have made. At the time when the Debt Relief Bill was discussed the members were advancing arguments that the price of produce has fallen down and so the creditors have gained. That was an argument advanced for scaling down the debts. I advance the very same arguments as against the government. Is it just on the part of the Government to exact the very same tax from the ryots when the price of paddy has fallen down by 50 per cent. Prices of all other agricultural produce are slowly getting up but the price of paddy alone remains as it was in 1104. So I appeal to the members of the House here to extend their sympathy to the ryots of Nanjinad. I have shown how they do not usually get anything from the fields, how they have to pay very heavily to Government as tax and how with no other source of income they are starving. It is not merely a local question. It is an all-Travancore question. Nanjinad is a limb of the State and it is the duty of the responsible members of this House to see that that limb of the State is not seriously injured. So I appeal to the honourable members to extend their sympathy and vote for the resolution.

Mr. K. R. Elankath: Before speaking on this resolution I beg leave of the President to add the words "and Edanad" also.

Mr. K. George: I beg to oppose that amendment, because it is not in the purview of the resolution.

President: The difficulty in all these amendments is that the honourable official spokesman may not have prepared the case adequately with regard to the amendments. That is the real trouble. But the honourable mover of the amendment can speak in such a way that it will embrace Edanad also and move the sympathy from others in that respect.

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Mr. K. R. Elankath: Nanjinad and Edanad are indentical in the matter of high taxation to which they are subject as well as in the facilities of irrigation. Both depend upon the Kodayar Project for irrigational facilities for cultivation. In weather conditions as well as in the cost of labour, there is practically no difference between the two.

Coming to the western pakuthies of Edanad, the Commissioner himself will conced that the assessment comes to no less than Rs. 12 per acre, which is almost equal to that in Tovala. Edanad and Nanjinad undergo hardship during times of drought as well as during small floods. To speak generally of these three taluks, Tovala, Agastiswaram and Kalkulam, I may say that in the report of the Economic Depression Enquiry Committee, the margin of profit is very little. According to the valuation of the depression days it comes to hardly Rs. 20 per acre per annum *i. e.* the total value of the crop if the yield is satisfactory after deducting the cost of cultivation and assessment comes only to Rs. 20 per acre.

That is Re. 1 and 9 annas per acre per month. You may ask why then do these cultivators take all the troubles for cultivating their lands if the labour is not paying? Why do they cultivate their lands even at the risk of losing, if anything untoward happens to their crops for want of sufficient rains or due to the failure of water from the Kodayar Reservoir? Sir, it is not only for profit that they do this but there are many other things which prompt them to resort to cultivation even if it would involve some risk. In the case of big landholders they have to maintain many labourers whom they have to feed and who depend on them for subsistence for life. Secondly they have to keep and maintain cattle which they can engage for their cultivation purposes and which would supply them with part of the manure required. Their own garden lands yield them green leaves for manure. If cultivation is carried on, even at the risk of loss, it is these factors that provide them with an irresistable temptation for the pursuit.

Will it be a loss for the Government to make a reduction of 50 per cent in the tax in these areas? To me it seems there will not be any risk on the part of Government which is for some time past invariably necessitated to give occasional remissions which are sought for by the ryots generally for fallow lands. Sir, if the principle of the resolution is accepted it will be an encouragement to the Agriculturist to go on with their occupation with greater hope. Now he faces the risk of losing irrigational facilities on account of occasional shortages of water in the Kodayar Reservoir, besides payment of a high assessment to the Government. And if everything goes on well he expects only to get a small margin of

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profit. Now Sir, if they are called upon to pay half the amoun only of what is now realised, it will induce them to cultivate a larger extent of land, for the risk of the extent of loss is less and Government would indirectly be benefitted because there will be less prospects of remissions. In the years 1111 and 1112 large areas of lands were left fallow. As I have pointed out the other day two years back it was more than 26,000 including both Ayacut lands and converted lands that were less completely fallow. Out of nearly 56,000 acres hardly 30,000 acres were cultivated. The major portion of the converted lands and some of the Ayacut lands were left fallow. Because the question of water cess is also included here it will be of considerable help to the agriculturists if 50 per cent remission is allowed to those areas, so that when there is a conciousness that the expenditure on the whole including assessment is less there will be a greater enthusiasm and incentive to cultivate a larger extent of land. With these words I support the resolution.

Mr. James Fletcher: Sir, I support the motion on the following grounds. The resolution is to reduce the tax on the wet lands by 50 per cent. The tax comprises of two items. One is water tax and the other is land tax. I shall say a few words first about water tax. The water tax was fixed long ago when the price of paddy was very high. And the water tax is now considered to be a fixed one. It is not elastic. I would desire that this water tax should be made elastic so much so it may be increased when the price of paddy rises and it may be reduced when the price falls down. It would help both the parties, the Government and the ryot. When the ryot gets high price for his paddy he will have to pay a higher rate as water tax. Then the Government will get a higher amount by way of tax. On the other hand, when there is a fall in the price of paddy, if the water tax is reduced, the poor ryots who are unable to get adequate price for his paddy need pay only a proportionately reduced tax. Therefore it is necessary that this tax is reduced to the minimum at the present time as the price of paddy has come down to the lowest level. Otherwise it would be a source of great hardship to the cultivators. I am supported in this theory by the opinions expressed on the matter by experts who sat in committees and commissions in the Punjab. They also recommended that this water tax should not be kept at a fixed rate but should be reduced whenever the price of agricultural products go down and it must be raised whenever the price goes up.

Then comes the question of the reduction of land tax. The land tax also was fixed long ago. It may be said that once upon a time the tax in Nanjinad was very high. And it was lately reduced. True it was reduced, but only apparently and not actually. In

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[Mr. James Fletcher.]

those days the cultivators have to pay tax in kind and not in money. Assuming that they paid, one sixth of the gross income there, it will be found on calculation that it was much less than what it is now. In those times from one acre they got 18 Kottas of paddy as yield and they had to pay as tax 3 kottas of paddy the price of which now is Rs. 12. The tax per acre now is Rs. 20. You must also take into consideration the fact that the yield is going down year by year. When the price goes down naturally the cultivator has no funds to improve the lands by manuring them and so the yield also goes down. The cultivator is faced with another problem also. The paddy lands which used to sell at Rs. 3,000 for one acre is now getting only Rs. 1,000 in Nanjinad, but in the other parts of the State the garden lands which used to fetch Rs. 1,000 are selling up to Rs. 3,000 per acre. In Nanjinad the trend of prices with regard to land is in inverse ratio to what is obtained in other parts of the State. The reason for this is that the yield from land has become much reduced. It is but natural that when the price of land goes down the cultivator is getting poorer and poorer, so much so, it is highly necessary that he should be relieved of the burden of this heavy taxation now levied on him.

Then I may bring to the notice of this Council another fact also. Ever and anon it was said that taxation in Nanjinad is very high and the fact is admitted by Government. But I ask what action has been taken by Government to relieve the cultivators of this heavy burden of taxation? Has anything been done towards this hitherto? I would desire that the Government would take immediate action on the principle underlying this resolution and thus do something practical in helping the poor agriculturists out of the great distress underwhich they are now groaning. With these words I support this resolution.

(When the President called upon the official member in charge to speak several members rose to speak.)

President : I am not shutting out discussion. But I thought that in a matter of this kind there are certain facts to be placed before the House by the official spokesman. Therefore I called upon Mr. George to speak.

Mr. K. George : (*Land Revenue and Income Tax Commissioner*) : The honourable member who has moved the resolution has confined its scope to Nanjinad. His resolution consists of two main parts *viz.*, that there should be a 50 per cent reduction in land tax and there should be another 50 percent reduction in water

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tax. The mover in his speech referred only to land tax. But honourable member Mr. Fletcher who spoke last referred to water tax as well. The two stand on altogether different footing. I shall, in the course of my speech, explain the position with regard to both.

Sir, the settlement of Nanjinad was completed in the year 1072 *i. e.*, 40 years ago. After the whole settlement of the State was completed, the Settlement Dewan Peishkar sent up a report to Govvernment and in reviewing that report—I think it was in the year 1913 Government made the following observation:—"A scrutiny of the average assessment and net demand shows that in the case of both wet and garden lands, the lower assessment rates have been applied to a much larger extent than the higher ones and that the incidence of assessment, as modified by the peculiar tenures of the country is undoubtedly moderate". Such an observation was made in respect of the assessment for the whole State. It cannot of course be stated that it is applicable to each and every part of the State. I would concede that it is not wholly applicable to Nanjinad. But it was generally accepted and even the people of Nanjinad had no complaint to make. Although the settlement was effected as early as 1072 complaints regarding the heaviness of assessment in Nanjinad began to be heard persistently only in recent years. I admit that they have one cause of complaint or rather they used to complain about one matter *viz.*, the rate which was adopted for the conversion of the kotta measure into the standard para measure for the purpose of fixing the tax in money. That was the only complaint which we used to hear about the assessment in Nanjinad. About the validity of the complaint, I do not propose to discuss at length. Until the year 1082 tax was being paid in Nanjinad and the other taluks of the Trivandrum Division, half in money and half in paddy.

When the payment of tax in paddy was completely abolished in 1082 the question arose as to the conversion of the Kotta in terms of the standard Para measure. The Nanjinad people wanted the conversion rate to be fixed at 8 paras and 2 edangalies for a kotta. After an elaborate enquiry the Division Peishkar of Padmanabhapuram reported to Government that the kotta measure in use varied from place to place, that it was 8 paras and 6½ edangalies in Kottar and 9-2 13/16 in Parakkay. Government out of consideration to the ryots adopted the lowest rate in use *viz.*, 8 paras and 6½ Edangalies. Complaints have nevertheless continued. But I am not referring to this aspect of the question. I am mentioning this only to show that the complaint about the heavy assessment in Nanjinad is only of comparitively recent origin. That complaint is being insistently brought, before this House and the Government, only in recent years. And, the reason is not far to seek.

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[Mr. K. George.]

Up to the year 1103, the price of paddy in Nanjinad was over Rs. 10 per kotta. In 1104 it fell to Rs. 9-5-0 ; and in 1106 it came down to about Rs. 5½. Now that is the reason why the complaint has become insistent.

Mr. V. S. Arumukham Pillai: May I ask whether in 1109 and 1110, the price was not so low as Rs. 3 per kotta ?

Mr. K. George: It might be a little more than that ; but anyhow, prices have now come back more or less to the level of 1106.

Sir, I have explained the reason for the complaint; I shall now examine some of the arguments that have been adduced in support of the resolution.

The first argument is that the average tax in Nanjinad is very high, much higher than the average in the other parts of the State. I have repeatedly stated, on previous occasions when this question was raised, that, while the average tax on paddy lands in the other parts of the State is Rs. 2-26-2 it is Rs. 12 in Nanjinad—I do not include the water-cess. But, Sir, that, by itself, is not conclusive proof of the allegation that the tax is oppressive. That turns on the question whether the lands are capable of bearing the tax. As I have mentioned on previous occasions, the reasons for the high rate of tax in Nanjinad firstly, that these high rates were in existence even before the Settlement; in fact, the Settlement only reduced the rate.

Secondly, that the lands in Nanjinad are well known to be much more productive than the lands in other parts of the country. The lands in Nanjinad have always been valued at a much higher price than the lands in other parts of the State, in spite of the high rate of tax. The lands in Central and North Travancore, would at no time fetch more than Rs. 1,000 or Rs. 1,250 per acre, whereas, as the honourable Member himself has stated a few minutes ago, in Nanjinad, an acre of land fetches Rs. 3,500 even today. In any case it cannot be denied that lands in Nanjinad fetch double the price of lands in Central and North Travancore.

There is another reason too for this high rate of tax. Lands in Nanjinad—not only in Nanjinad but in the whole of the Trivandrum Division, at any rate in Edanad also—are mostly double-crop lands, whereas, as we go northwards, the extent of double-crop lands diminishes and that of single-crop lands increases.

Mr. K. R. Elenkath: May I ask whether, in any part north of Trivandrum, land is assessed at even half the rate of assessment in South Travancore ?

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Mr. K. George: I know there is the mistaken impression that the tax in other parts of the State is less than half of the tax in Nanjinad. Sir, for purposes of assessment, lands were classified at the settlement into 14 tarams. The first 14 tarams are applicable not only to the taluks of the Trivandrum Division but also to the taluks of the Quilon Division except the Quilon taluk, to the old Chengannur taluk and also to all the taluks of the Kottayam Division, although I must admit that the rate of the first taram in these Divisions is lower than the rate of the first taram in Nanjinad. Therefore, Sir, the impression that the high rate of assessment is peculiar to the lands in Nanjinad is a mistaken impression.

Sis, the honourable member Mr. Arumukham Pillai wants the 50 per cent. reduction that he now asks for to be given to all the lands in Nanjinad. I ask, why. There are lightly assessed lands also in Nanjinad. Why should the lands assessed at the lower rates get any relief? Then again, there is a large area of dry lands in Nanjinad which have been converted into wet. They have not been assessed at wet rates; they are assessed only at dry rates, the maximum of which is Rs. 2-4-0 per acre. Of course, along with dry assessment they also pay a water-cess of Rs. 7 per acre. Even then, it comes only Rs. 9-4-0 per acre.

It must also be borne in mind that Nanjinad does not contain only wet lands. There is also a large area of dry lands. And I may inform the House that the lowest rate for dry lands in the State is the rate obtaining in Tovala, and that is only 10 chuckrame 15 cash per acre as against the general State average of 25 chs. 13 cash.

Mr. V. S. Arumukhm Pillai: May I know the extent of dry lands in the Thovala taluk?

Mr. K. George: In Tovala, and in Agasteeswaram also, there is a lot of dry lands—some of them have been converted into wet.

Mr. V. S. Arumukham Pillai: If not the exact extent, may I know from the Member at least the proportion which the extent of dry lands bears to the extent of wet lands?

Mr. K. George: There are 1,884 acres of converted dry lands in Tovala and 10,491 acres in Agasteesvaram; and these pay a maximum of only Rs. 9-4-0—and, it is only the maximum and not the general rate obtaining for these lands.

It has been said, Sir, that the highest rate in Nanjinad was Rs. 35 per acre. Sir, that rate applies only to tank-bed conversions which have been auctioned on the distinct understanding that the tax will be the first taram rate plus water-cess. And, the extent of such land is not very large.

Mr. V. S. Arumukham Pillai: The first taram rate is only Rs. 25-15-7; but, in the case of these lands it is Rs. 28 plus 7.

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Mr. K. George : There is a reason for that; and probably it will take a long time for me to explain it fully. I may point out, anyhow, that the 10 per cent. reduction which was made at the time of the Settlement for unprofitable areas such as ridges and bunds was not allowed under the Puduval Rules which govern these tank-bed registries.

Sir, as I have said elsewhere, these higher rates are not peculiar to Nanjinad, so that I cannot understand Mr. Arumukham Pillai's request that 50 per cent. of the tax should be reduced in the case of Nanjinad alone and not in all parts of the State where lands are highly assessed.

Mr. V. S. Arumukham Pillai : May I ask whether there is any part of the State where there is such a high rate of assessment as in Nanjinad ?

Mr. K. George: In Shencotta; it is almost the same there.

Mr. V. S. Arumukham Pillai: What is the rate for the first taram there ?

Mr. K George : About Rs. 25.

Mr. V. S. Arumukham Pillai : I beg to deny that.

Mr. K. George : Sir, if the honourable member had said that the concession that he now asks for should be given to all lands in the State which are subject to heavy and burdensome tax, it would have been a fit proposition for the House to consider. Why should there be special benefit conferred on Nanjinad lands alone where also there are lightly assessed lands ? That is what I cannot understand.

I referred a little while ago to the argument about the fall in prices. Sir, that is not a phenomenon peculiar to Nanjinad. It is universal and applies alike to all the taxpayers in Travancore. If we look into the price figures it will be found that the price of paddy in Nanjinad is always two to three chuckrams more per para than the price in other parts of the State; Nanjinad paddy always fetches a higher price. Therefore, the argument about the fall in price has no special application to Nanjinad. Further, the price of paddy at the time of the Settlement and during the several succeeding years was much lower than the present price. At the time of the Settlement when half the tax that was payable in paddy was converted into cash payment, the conversion rate adopted was only Rs. 2-0-3 per kottah; and when the other half was also converted into cash payment, the rate adopted was Rs. 3-10-6, so that the average conversion rate comes to only Rs. 2-19-5, while, even at the lowest, paddy had been selling much higher than that.

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Mr. K. R. Elankath : What about the cost of production Sir ?

Mr. K. George : Sir, cost of production might have increased in Nanjinad, Kuttanad and in Onattukara, and various other places. Nanjinad has no special grievance in that matter.

Mr. V. S. Arumukham Pillai : May I point out to the member that the kottah that he has been referring to while quoting his figures is not the same kotta as the one now prevalent ?

Mr. K. George : No, Sir.

Mr. V. S. Arumukham Pillai : The present kottah is 75 Madras measures.

Mr. K. George : No, Sir. The matter was carefully investigated, and it was after elaborate enquiry that the capacity of the smallest kottah in South Travancore, namely, 8 paras and 6½ edangalies, was adopted for purposes of conversion into money payment.

Mr. V. S. Arumukham Pillai : Is the member aware that the kottah now prevalent is entirely different from the kotta which the member is referring to ?

Mr. K. George : I am not aware, Sir. I do not think Nanjianad people have altered their kottah measurement.

I would therefore submit that no case has been made out for 50 per cent. reduction for Nanjinad alone. If any reduction is to be made on the ground of overassessment, it must apply to all the overassessed lands in the State. Why not the overassessed lands in Shencotta get that concession ? There also paddy is practically the only crop, and the rates of assessment are equally high.

Mr. James Fletcher : What about water-cess, Sir, which is peculiar to South Travancore ?

Mr. K. George : Sir, I will now come to water-cess. It stands on an entirely different footing. It is recovery made for services rendered. The State has spent, out of the general revenues, Rs. 80 lakhs odd net on the Kodayar Project.

The gross revenue that we got from the water tax in 1111 was only Rs. 99,517, and this works out only to 1·14 per cent. on the outlay. Now it cannot be said that any particular tract in the State should be so much benefited at the expense of the general tax-payer. But still Nanjinad gets the benefit at the expense of the whole State. Apart from that, is the fall in the prince of paddy any argument in favour of giving remission in water cess ? First of all, it has to be pointed out the water tax is only one rupee in the case of Ayacut lands. It is Rs. 7 only in the case of

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[Mr. K. George.]

tank beds and dry lands converted into wet lands. In the case of tank beds I have conceded that the tax is high. Not that the water rate is high. So far as the Ayacut lands are concerned the one rupee rate is not certainly high.

Then we come to the dry lands converted into wet. Is the water rate high there when the converted lands are cultivated with paddy and they get a good crop? The maximum dry rate is Rs. 2 4 ch. Can it be said that the water rate plus the land tax is heavy? Certainly that will not be conceded. Therefore, taking all these things into consideration, I do not think that any case is made out for the Government making any sacrifice in the water rate. Therefore I am sorry I have to oppose that part of the resolution as well.

So far, Sir, I must admit that I have been arguing against the request of the member. I have not said that there is absolutely no case for Nanjinad. That Nanjinad has been heavily assessed, perhaps for decades, even before the settlement, it is now too late for us to deny. When the question of settlement was originally taken up, Government expected—in fact, in the Settlement Proclamation they directed—that crop experiments should be made and the settlement made on the basis of produce. Unfortunately this was not done at all. The Settlement Officers of those days were dominated by one consideration and that was at the instance of the Government of the day—that the settlement tax should not exceed or be less than the munkaram by ten per cent. so that all the anomalies of the pre-settlement days have continued even after. That is admitted and the Government have in their final G. O. on the Settlement Memorandum admitted it as a regrettable fact. Now, what is to be done? One solution is no doubt resettlement and it has been more than once stated that the question is engaging the attention of Government. We must remember that all over India now the Land Revenue policy of the various Provincial Governments is undergoing examination. The object of taxation should be to get from the tax-payers, who can afford to pay as much as is possible so that the Government without sacrifice of revenue may give relief to the poor ryots. That is the general principle, and I believe that in various provinces, committees have been set up and the whole question of the land revenue policy to be followed in future is undergoing examination. This question here also deserves to be carefully considered. We have to decide whether equalisation of demand has to be brought about by a resettlement or by adopting some system which will help the poor ryots while Government can get the revenue that it ought to get from the people who can afford

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to pay. That is the whole point. The question requires very careful examination and Government have not finally decided on what lines they should proceed. One of two ways may be adopted—either a resettlement of a system of taxation which would equalise the Government demand and put it on an equitable basis. I am not in a position to say that the Government have so far made up their mind on the point, but I may assure honourable members that the subject is engaging the serious consideration of Government and one way or the other some steps will be taken to set right the grievances not only of the people of Nanjinad but also of the people of the whole State who complain that the tax on land is burdensome.

Mr. Abdul Tayeb Sheikh Kaderbhoy (*Commerce and Industry, South*): May I know from the honourable member what the 50 per cent remission in Nanjinad will come to ?

Mr. K. George: Sir, I am unable to give the exact information, but it may come to about 3 to 4 lakhs.

Mr. V. S. Arumukham Pillai: Sir, I am extremely sorry for the reply of the learned Land Revenue Commissioner. In the first place, he has been stating that to this same 50 per cent remission other places are also entitled. I must not be misunderstood. I do not grudge other parts getting 50 per cent or even 75 per cent remission. Sir, the Land Revenue Commissioner has not given us facts or data to support his position. He says that the tax for the first tharam is the same in all places.

Mr. K. George: A word of personal explanation. I never said that the first tharam is the same all over the State.

Mr. V. S. Arumukham Pillai: He said that it was the same in Shencottah. I may state for his information that he will find from the Land Revenue Manual, Vol. III—I do not remember the exact page—that the tax for the first term in Nanjinad is Rs. 5-15-7 and that the first term tax in Shencottah is Rs. 20 odd.

My next submission is—I do not grudge his extending his sympathy to other parts also—that he has not stated the average tax per acre in Nanjinad and in other parts of the State. If he had stated that the average in other parts at least comes to $\frac{1}{4}$ or $\frac{1}{2}$ of the tax obtaining in Nanjinad I could have understood he has made out a case for extending the very same concession to other parts. But he has not given us any figures. He has not given us any data. I have shown how he himself has stated in reply that the average tax in Agasthiswaram is 20 and that in Thovala it is Rs. 14 Chs. 19. But in regard to other places he has not given us any figures. I say that it is not even $\frac{1}{4}$. If he has given figures and satisfied us that there is some substance in his arguments that

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[Mr. V. S. Arumukham Pillai.]

the same kindness or consideration must be extended to other parts, I could have understood him.

Then he was dealing with the price of paddy at the time of the settlement. Of course, there he is under the impression that the kotta before the settlement and the kotta in vogue *i. e.*, the kotta for Government purposes in the locality are the same. Sir, for purposes of Government measurement one kotta is taken as 63 pakkas. Madras measurement and the Madras measure and the Najinad kotta and marakkal are in use in our parts. But in the rest of Travancore the prevalent measures are the para and the edangali which are not known in Nanjinad. In Nanjinad one kotta is 75 Madras measures according to local usage but it is only 63 measures for Government purposes. That is all the difference. That is the reason for all the complications and mistakes committed by the Government. According to the 63 pakka measurement and according to the pre-settlement kotta the price will be much higher than what it was obtaining in 1109 or 1108.

With regard to the Kodayar irrigation project I may submit at the outset that it is not possible within the short time at my disposal to state how the capital account of the Kodayar project has been made up. I may submit, Sir, that the calculations are not correct, various items have not been credited and that if the accounts are to be corrected, I may submit that the interest will come up to at least 4 per cent. To explain the various items and details I shall take up another opportunity. I shall then show how the capital accounts have been falsely made up and how the public as well as the Government are under the wrong impression that it is yielding only one per cent or 1½ per cent. Anyhow, it is a profitable undertaking. It is not like the Quilon-Shencottah railway entailing a loss to the Government. At least the Land Revenue Commissioner will concede that the Kodayar project is yielding 1¼ per cent. It is not working at a loss anyhow and if huge sums are wasted we are not responsible.

Sir, the Land Revenue Commissioner has not said anything about the vexed question of the para and the edangali measurements and the excess of ¼ due to the wrong committed by Government. Whether he admits my position or not is not clear. I therefore do not want to explain it now. It is also a complicated question. Anyhow, for illustration I shall state this. Take the case of two lands one lying in Agasthiswaram taluk and the other in Eraniel taluk adjoining the banks of a river separating the two taluks and bearing the very same assessment—that is when the tax was paid in kind the two lands were paying the very same amount

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of paddy as tax—now that the tax is paid in cash, one pays Rs. 20. that is the land in Eraniel while the one lying in Agastiswaram taluk pays Rs. 25, though both bear the same rate of assessment. What is the explanation Sir, for this difference of Rs. 5? The explanation is that one land lies in Agastiswaram taluk while the other lies in the Eraniel taluk. This illustration alone is sufficient to show that a mistake has been committed in the process of adjusting one kotta as being equivalent to 8 paras and $6\frac{1}{2}$ edangalies.

My friend Mr. Elenkath said that Nanjinad and Idanad are alike with regard to the question of land tax. I may submit that it is not so and that is not a fact. Of course, Idanad may be heavily assessed and I do not grudge extending this 50 per cent. to Idanad also. But to say that Idanad bears the very same assessment as Nanjinad is contrary to facts. There is a lot of difference. I appeal to you, Sir, to give your kind sympathy to the peculiar conditions and system of taxation that is obtaining in Nanjinad.

President: The honourable member has not apparently observed the last remarks of the official spokesman.

Mr. V. S. Arumukham Pillai: I am coming to that. Sir, I submit that we deserve the kind sympathy of Government. As I submitted, the one stock argument of Government is that they are doing much to us. Sir, I feel confident you are the proper person to help the poor by punishing the rich for ... ...

President: Not punishing.

Mr. V. S. Arumukhom Pillai: By taking from the rich, by punishing for evation, etc. I appeal to you, Sir, to view sympathetically the condition of the ryots of Nanjinad. With the hope and confidence that you will do the right thing in the right manner, I beg to withdraw the resolution.

The resolution was, by leave, withdrawn.

ALLOTMENT OF EXPENDITURE ON COMMUNICATIONS IN RURAL AREAS.

Mr. K. R. Elankath: Sir, I beg to move the following resolution:

> *This Council recommends to the Government that in allotting expenditure for new works in the P. W. D., especially in the matter of communications in rural areas, a definite proportion be fixed on taluk-war leasis.*

The very wording of this resolution will bring to the notice of the House that my idea in moving this resolution is not the outcome of parochial considerations, with disregard to the general and greater interests of the country. The resolution only refers to a

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